



Irish Life Weekly Investment Bulletin

The week that was – WEEK 12 2018 (ending 23/03/2018)

“Who looks outside, dreams; who looks inside, awakes.” – Carl Jung

Irish residential rents up 6.4% on the year in Q4 2017 – According to the latest figures from the Residential Tenancies Board (RTB), residential rents showed another strong gain in Q4, with a 1.1% rise for the quarter and 6.4% on the year. National standardised average rent for new tenancies was €1,054 (up €12 from Q3).

Brexit transition deal nearer – Michel Barnier, the European Union’s Brexit negotiator, and David Davis, Britain’s Brexit secretary, announced a transition deal with most major issues resolved but not all, such as the Irish question, the exact future framework for trade and the successful conclusion of the Article 50 deal.

Global stock market down 4.7% on the week – The MSCI AC World TR Index showed a 4.67% fall from 16th March to 23rd March, as trade tensions escalated between the US and China and revelations about abuse of customer data by social media firms. The Volatility Index closed the week at 24.87, up from 14.64.

U.S. imposes new tariffs on Chinese imports – President Donald Trump announced tariffs on \$60 billion worth of imports from China, along with other restrictions on technology transfers and acquisitions. The Chinese Commerce Ministry referred on Friday to the general U.S. tariff plans as setting a “vile precedent.”

Fed increases U.S. interest rate by 0.25% as expected – The Federal Open Market Committee (FOMC) announced a 0.25% increase in the federal funds rate target to a range between 1.50 and 1.75% which came as no surprise. They also increased their forecasts for inflation and growth signaling a quicker rate of increase.

UK pay growth hits highest level since September 2015 – The Office for National Statistics reported that including bonuses, average earnings in the three months to January were 2.8% higher than in the same quarter a year earlier, the highest since September 2015. Excluding bonuses, earnings were 2.6% higher.

The Story of the week: Another Police story this week. A West Yorkshire policeman has been getting a severe slapping by his colleagues after appearing to accidentally prosecute himself for having an untaxed vehicle. The officer apparently put his own name on the paperwork instead of the actual offender so he received the penalty notice instead “to the amusement of the rest of the office”, the force’s Roads Policing Unit wrote on Twitter. The penalty letter was sent to the police station in Bradford and demanded the officer pay £81 by 1st April or be taken to court.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 16/03)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	-3.4
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-7.0
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	-8.8
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	-5.6
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	-2.8
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	1.3
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-9.4
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	0.8
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	0.1
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	2.8
German	1.9	0.5	0.6	0.2	0.4	0.5
UK	3.0	1.9	1.9	1.2	1.2	1.4
Japan	0.7	0.3	0.2	0.0	0.0	0.0
Ireland	3.4	1.3	1.1	0.7	0.7	1.0
Italy	4.1	2.1	1.6	1.8	2.0	1.9
Greece	8.2	9.6	7.9	7.1	4.1	4.4
Portugal	6.1	2.7	2.5	3.8	1.9	1.7
Spain	4.1	1.6	1.7	1.4	1.6	1.3
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	1.75
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.24
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.88
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.42
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	8.1% (to end of Q4)
U.K.	2.7	10.7	17.8	13.1	3.6	10.3% (to end of Q4)
U.S.	5.3	11.4	11.2	12.1	7.8	7.1% (to end of Q4)

*Past performance is not a reliable guide to future performance